



# **The SNAP LIHEAP Connection**

**NEUAC Conference**

**Sheraton Kansas City Hotel at Crown Center**

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## Heat and Eat

Originates from the choices low income families had to make between heating or eating

## The Food Security Act of 1985

- Allowed states to confer the highest utility allowance to households that received a Low Income Home Energy Assistance Program (LIHEAP) benefit
- Not all households are eligible for LIHEAP

## **PUBLIC LAW 99-198-DEC. 23, 1985**

### **DEDUCTIONS FROM INCOME**

SEC. 1511. Section 5(e) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)) is amended by-

(4) after the seventh sentence, inserting the following:

"If a State agency elects to use a standard utility allowance that reflects heating or cooling costs, it shall be made available to households receiving a payment, or on behalf of which a payment is made, under the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8621 et seq.) or other similar energy assistance program, provided that the household still incurs out-of-pocket heating or cooling expenses.

## What is an SUA?

- SUA stands for Shelter Utility Allowance
- States can choose 4 types of SUAs
- Pennsylvania has 4 SUAs:
  - Heating/ Cooling SUA (HSUA)
  - Non-Heating SUA (NHSUA)
  - Limited SUA (LSUA)
  - Telephone Allowance

## Why use an SUA?

- Consistency
- Ease of administration
- Ease of programming

# Some states began to issue a LIHEAP benefit to untraditional LIHEAP households

- Increased their Supplemental Nutrition Assistance Program benefit amounts (SNAP)
- Allows the household to use more of their earned income to spend on necessities such as rent and utilities
- Seventeen states offered some form of Heat and Eat as of 2013



## SNAP eligibility

There are three questions asked to determine eligibility:

- Does the household meet all of the nonfinancial and resource criteria?
- Is the total gross income equal to or less than the gross income limit
- Is the net income, after all deductions, equal to or less than the net income limit

**Issuance of LIHEAP or Heat and Eat does not effect eligibility**

## Determining SNAP benefit amounts

- The amount of benefit is based on the gross income minus allowable deductions (net income)
- Every household is entitled to a standard deduction

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Depending on a household's circumstances and expenses, it may also be entitled to the following deductions:

- Earned income deduction
- Excess medical deduction
- Dependent care deduction
- Shelter/utility deduction

## How it Works

- The SNAP benefit amount is calculated using income and deductions. For a 2 person household (the average in Pennsylvania) with social security income of \$1,500.00 per month and rent of \$500.00 per month the calculation would be:

$\$1,500 - \$500 = \text{Benefit of } \$15.00/\text{ month}$

When the Heating Shelter Utility Allowance is used, the calculation becomes:

$\$1,500 - \$500 - \$536 = \text{Benefit of } \$51.00/\text{ month}$

As deductions increase, net income is reduced  
and the benefit amount increases

## Who it helps

Heat and Eat overwhelming assists elderly and disabled households more than any other group

Why?

## **For elderly or disabled households:**

- Shelter expenses are not capped
- Total rent/ mortgage and utility amount over 50% of income is counted as a deduction

## Other benefits of Heat and Eat

- Lowers potential quality control errors
  - Most households are eligible for the HSUA
- LIHEAP outreach
- Increase to SNAP benefit assists those with special dietary needs
  - Limitations of the Thrifty Food Plan



## What Changed?

- In February of 2014, The Agriculture Act was signed into law
- One provision of the Act established a threshold in order to confer the Heating utility allowance
- Required a minimum LIHEAP benefit in excess of \$20 per year

## **SEC. 4006.**

IN GENERAL.—Subject to subclause (II), if a State agency elects to use a standard utility allowance that reflects heating and cooling costs, the standard utility allowance shall be made available to households that received a payment, or on behalf of which a payment was made, under the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8621 et seq.) or other similar energy assistance program, if in the current month or in the immediately preceding 12 months, the household either received such a payment, or such a payment was made on behalf of the household, that was greater than \$20 annually, as determined by the Secretary.

## Pennsylvania to continue Heat and Eat

- Preserve benefits for 400,000 Pennsylvania households
- Monthly average SNAP increase of \$60 to \$65
- Cost to LIHEAP approximately \$8 million

## Questions?

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